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Note verbale dated 6 August 2010 from the United States Mission to the United Nations addressed to the Chairman of the Committee

The Permanent Mission of the United States of America has the honour to attach herewith the report of the United States on the implementation of the measures imposed by the Security Council in its resolution 1929 (2010) (see annex).

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Annex to the note verbale dated 6 August 2010 from the United States Mission to the United Nations addressed to the Chairman of the Committee

Report of the United States on the implementation of measures imposed by the Security Council in its resolution 1929 (2010)

The United States believes it is essential that Member States swiftly, fully and robustly implement the provisions of Security Council resolution 1929 (2010) and encourages all States to do so. The United States hereby submits the present report on the range of measures that the United States is taking to implement the provisions of Security Council resolution 1929. Following the structure of relevant provisions of the resolution, United States actions to date are set out below.

Paragraph 7

The United States trade embargo on Iran is implemented under authorities enacted by Congress, including the Arms Export Control Act, the International Emergency Economic Powers Act, as amended, and the International Security and Development Cooperation Act. With limited exceptions, United States sanctions prohibit United States persons from importing goods or services from Iran or the Government of Iran; from exporting goods, services, or technology to Iran or the Government of Iran; and from investing in Iran. The sanctions also prohibit United States persons from facilitating such transactions by third parties who are not United States persons. In addition, non-United States persons are generally prohibited from exporting goods, technology, or services from the United States to Iran or the Government of Iran and from re-exporting to Iran or the Government of Iran certain sensitive United States-origin goods, technology, and services;

The United States also continues to work with its international partners to urge full implementation of this provision and to prevent Iran from gaining access to uranium supplies around the world. This includes close bilateral consultations with our foreign counterparts on this particular provision of resolution 1929 (2010), as well as other provisions, such as paragraph 3 of resolution 1737 (2006).

For example, the United States works with multilateral export control regimes, such as the Nuclear Suppliers Group and the Missile Technology Control Regime to prevent transfers to Iran of technical training, advice, services or assistance related to the provision, manufacture, maintenance or use of the equipment and materials in paragraph 7 of this resolution. By building national interdiction capacities and increasing national legal authorities, we see activities such as the Proliferation Security Initiative as critical tools that support the international effort aimed at preventing and disrupting shipments of weapons of mass destruction and their means of delivery.

The United States also takes note of the 17th preambular paragraph regarding the common equipment between nuclear and petrochemical industries. In this respect, the United States also uses relevant United States authorities, including the Arms Export Control Act and the International Emergency Economic Powers Act, to prohibit the transfer of both dual use items listed in INFCIRC/254/Rev.7/Part 2, as well as other equipment that could potentially be used in Iran's nuclear programme. The United States also calls on other States to be vigilant regarding the potential

abuse by Iran of the petrochemical industry to procure illicit equipment for its nuclear programme.

Paragraph 8

The Iranian Transactions Regulations implement a series of Executive Orders issued pursuant to the authorities of the International Emergency Economic Powers Act and the International Security and Development Cooperation Act. These Executive Orders impose comprehensive trade and financial sanctions on Iran that are administered by the Department of the Treasury's Office of Foreign Assets Control. With limited exceptions, the Iranian Transactions Regulations prohibit United States persons from importing goods or services from Iran or the Government of Iran; from exporting goods, services, or technology to Iran or the Government of Iran; and from investing in Iran. The Iranian Transactions Regulations also prohibit United States persons from facilitating such transactions by third parties who are not United States persons. In addition, non-United States persons are generally prohibited from exporting goods, technology, or services from the United States to Iran or the Government of Iran and from re-exporting to Iran or the Government of Iran certain sensitive United States-origin goods, technology, and services. Executive Order 13382 (E.O. 13382, "Blocking Property of Weapons of Mass Destruction Proliferators and Their Supporters"), also issued under the authority of the International Emergency Economic Powers Act and administered by the Office of Foreign Assets Control, allows the United States to block or "freeze" the property and interests in property within the United States, or in the possession or control of United States persons, of persons determined to be weapons of mass destruction proliferators and their supporters. As a result of these laws, the United States does not permit the export to Iran of any items that could contribute to Iran's conventional arms or missile programs, including those covered by resolution 1929 (2010) and its predecessors.

In addition, under the Iran, North Korea and Syria Nonproliferation Act, "credible information indicating" a transfer of items covered under the multilateral control regimes either to or from Iran, North Korea, or Syria by non-United States entities triggers a report to Congress and possible sanctions on those entities. The United States also works with like-minded countries, including through such means as the Wassenaar Arrangement, to develop best practices to prevent the transfer of technical training, advice, services or assistance related to the provision, manufacture, and maintenance of conventional arms. The United States also works with the Missile Technology Control Regime to prevent the transfer of missile-related equipment, materials, software, and related technology to or from Iran that could contribute to the development or production of missiles.

Paragraph 9

The United States does not permit the export or re-export of any items that could contribute to Iran's missile programmes. Relevant United States authorities include the Arms Export Control Act and the International Emergency Economic Powers Act. As noted above (under para. 7), the United States also works with like-minded countries, including through the Missile Technology Control Regime, to prevent the transfer of missile-related equipment, materials, software, and related technology to Iran that could contribute to the development or production of missiles.

Paragraph 10

The implementation of the travel ban for persons listed in annex II to resolution 1929 (2010), as well as the relevant annexes and provisions of resolutions 1737 (2006), 1747 (2007), and 1803 (2008) noted above, is addressed through the United States Department of State's targeted visa review process under the Immigration and Nationality Act, which focuses on individuals reasonably believed to be seeking entry into the United States to engage in an activity to violate or evade United States export control laws. Under these provisions, any requests by relevant individuals designated in accordance with the resolution for visas to travel to or through the United States would be denied. Because such persons will not be permitted to enter into or transit through the United States, we do not anticipate that notifications to the Sanctions Committee will be required. Furthermore, under United States law, aliens reasonably believed to be seeking entry into the United States to engage in an activity in violation of United States law or to evade United States export controls or other laws are inadmissible.

In addition, under the Controlled Port Access and Special Interest Program (annex I) of the Maritime Operational Threat Response for the National Strategy for Maritime Security (June 2006), Iran is listed as a non-entrant country. The programme denies vessels access to the internal waters and ports of the United States if they are flying the flag of a non-entrant country or have a member of their crew who is a citizen of a non-entrant country, unless such person possesses a valid United States visa. In addition, vessels with any other person on board who is a citizen or resident of a non-entrant country and denied entry through the Maritime Operational Threat Response process in a specific case, will also be considered a non-entrant under the programme.

Paragraph 11

The national authority carried out under Executive Order 13382 allows the United States to implement this provision. Persons who are designated under Executive Order 13382 are denied access to the United States financial and commercial systems, and United States persons, including United States citizens, permanent resident aliens, United States companies (wherever located), and any person or company in the United States, are prohibited from engaging in transactions with them. It is important to note that adequate identification is crucial and necessary in order to properly implement the asset freeze. Identifying information is necessary to avoid confusion and prevent innocent parties from being wrongly targeted by sanctions.

In that regard, the United States had already frozen the assets of 12 of the 22 entities in annex I of resolution 1929 (2010) prior to its adoption. These entities include: Amin Industrial Complex, Armament Industries Group, Farasakht Industries, First East Export Bank, Kaveh Cutting Tools Company, Ministry of Defense Logistics Export (MODLEX), Mizan Machinery Manufacturing, Nuclear Research Center for Agriculture and Medicine, Shahid Satarri Industries, Shahid Sayyade Shirazi Industries and Yazd Metallurgy.

Since the adoption of the resolution on 9 June 2010, the United States has further designated the following entities under the authorities of Executive Order 13382: Sepanir Oil and Gas Engineering Co. and Rah Sahel. In addition to the entities listed in the annexes of resolution 1929 (2010), the United States has

designated the following entities since 9 June 2010: the Islamic Revolutionary Guard Corps Air Force and Missile Command; Mohammad Ali Jafari, Mohammad Reza Naqdi, Javad Karimi Sabet, Ahmad Vahidi, the Naval Defense Missile Industry Group, Javedan Mehr Toos, Hafiz Darya Shipping Company (HDS Lines), Soroush Sarzamin Asatir Ship Management Company, Safiran Payam Darya (SAPID) Shipping Co., Seibow Limited, and Seibow Logistics. The United States also designated Post Bank of Iran for providing financial services to, and acting on behalf of, the United Nations-designated Bank Sepah.

The United States will continue to take measures to fully implement its obligations under the resolution and work to designate the remaining individuals and entities identified in the annexes of resolutions 1737 (2006), 1747 (2007), 1803 (2008) and 1929 (2010).

Paragraph 12

Under the authorities of Executive Order 13382 and the International Emergency Economic Powers Act, the United States designated the Islamic Revolutionary Guard Corps on 25 October 2007. Accordingly, the Islamic Revolutionary Guard Corps has been denied access to the United States financial and commercial systems, and United States persons, including United States citizens, permanent resident aliens, United States companies (wherever located), and any person or company in the United States, are prohibited from engaging in transactions with them. This national authority also allows the United States to implement effectively the provisions set forth in operative paragraph 12 of resolution 1929 (2010).

The following Islamic Revolutionary Guard Corps-related entities and individuals have been designated under Executive Order 13382:

Khatam al-Anbiya Construction Headquarters
Oriental Oil Kish
Ghorb Nooh
Sahel Consultant Engineers
Ghorb Karbala
Sepasad Engineering Company
Omran Sahel
Hara Company
Gharargahe Sazandegi Ghaem
Iran Aircraft Manufacturing Industrial Company
General Rostam Qasemi
General Hosein Salimi
Brigadier General Morteza Rezaie
Vice Admiral Ali Akhbar Ahmadian
Brigadier General Mohammad Hejazi
Brigadier General Qasem Soleimani
Islamic Revolutionary Guard Corps Air Force
Islamic Revolutionary Guard Corps Missile Command
Mohammad Ali Jafari
Mohammad Reza Naqdi
Fater Engineering Institute
Imensazen Consultant Engineers Institute
Makin Institute

Rahab Institute
Rah Sahel
Sepanir Oil and Gas Engineering Co.

With respect to this provision, the United States also takes note of the 6th preambular paragraph of resolution 1929 (2010) and the Islamic Revolutionary Guard Corps' role in the development of Iran's sensitive nuclear activities and the development of nuclear weapon delivery systems. The United States will continue to monitor the Islamic Revolutionary Guard Corps, as well as other entities related to Iran's nuclear and missile programmes, and will make designations as warranted under the authorities noted above.

Paragraph 13

The United States does not permit the export or re-export of any items that could contribute to Iran's nuclear programmes. This includes all of the items specifically listed in documents INFCIRC/254/Rev.9/Part 1, INFCIRC/254/Rev.7/Part 2, and S/2010/263. The United States also works with like-minded countries, including through the Nuclear Suppliers Group, the Zangger Committee, the Proliferation Security Initiative, and through outreach programmes to non-member countries. The goal is to prevent the transfer of nuclear and nuclear-related equipment, materials, software and related technology to or from Iran that could contribute to the development, production or delivery of nuclear weapons. Relevant United States authorities include the Arms Export Control Act and the International Emergency Economic Powers Act.

Paragraph 14

In accordance with domestic law and international legal frameworks, the United States cooperates closely with partner States to scrutinize the activities of the Islamic Republic of Iran Shipping Lines (IRISL) and other Iranian shipping-related companies that pass through airports, seaports, and other international borders, and takes steps to prevent transfers of items prohibited by this and by previous Iran-related resolutions.

United States efforts to take cooperative action to prevent the trafficking in weapons of mass destruction related materials to Iran include the Proliferation Security Initiative. The Proliferation Security Initiative is an international counter-proliferation effort aimed at preventing and disrupting shipments of weapons of mass destruction, their delivery systems, and related materials flowing to or from States or non-State actors of proliferation concern. The United States, in partnership with other Proliferation Security Initiative States, has implemented a series of training exercises through which the States continue to enhance their interoperability, improve their decision-making processes and procedures, and strengthen their capacities to prevent weapons of mass destruction-related shipments. In addition, the United States has reached bilateral Proliferation Security Initiative ship-boarding agreements with 11 important flag States (Antigua and Barbuda, the Bahamas, Croatia, Cyprus, Liberia, Malta, the Marshall Islands, Mongolia, Panama, and Saint Vincent and the Grenadines) to facilitate the boarding and inspection of vessels that may be carrying weapons of mass destruction-related cargoes. These agreements will assist in implementing resolution 1929 (2010) and its predecessors.

Paragraph 15

As previously noted, United States efforts to take cooperative action to prevent the trafficking in items prohibited in this resolution and all previous resolutions, include the Proliferation Security Initiative. The expansion of the Proliferation Security Initiative to 97 participants, as well as United States bilateral ship boarding agreements, will assist in implementing resolution 1929 (2010) and its predecessors.

Paragraph 16

As an integral part of the efforts described in previous paragraphs, the United States cooperates closely with partner States to seize and dispose of any prohibited cargoes that are discovered during inspections conducted under the provisions of resolution 1929 (2010).

Paragraph 17

The United States has not had occasion to report any activity to the Committee under this provision of resolution 1929 (2010), but continues to work closely with partner nations and the Committee to ensure the full implementation of the resolution.

Paragraph 18

For the reasons listed under paragraph 16 above, we do not anticipate making any reports to the Committee under this provision.

Paragraph 19

Under the authorities of Executive Order 13382 and the International Emergency Economic Powers Act, the United States designated IRISL and 17 other entities controlled by or acting or purporting to act on behalf of IRISL on 10 September 2008. Other IRISL-related entities have been designated subsequently under Executive Order 13382. All three entities included in annex III of resolution 1929 (2010) were so designated on 10 September 2008, prior to the adoption of the resolution. Individuals and entities that are designated under Executive Order 13382 are denied access to the United States financial and commercial systems, and United States persons, including United States citizens, permanent resident aliens, United States companies (wherever located), and any person or company in the United States, are prohibited from engaging in transactions with them. This national authority also allows the United States to implement effectively the provisions set forth in operative paragraph 19 of the resolution. In addition to IRISL itself, the following IRISL-related entities have been designated under Executive Order 13382:

Valfajr 8th Shipping Line Co. SSK
Khazar Sea Shipping Lines
Irinvestship, Ltd.
Iran o Hind Shipping Company
Shipping Computer Services Company
Iran o Misr Shipping Company
IRISL Marine Services & Engineering Company
IRITAL Shipping SRL Company
South Shipping Line Iran
IRISL Multimodal Transport Co.

Oasis Freight Agencies
IRISL Europe GMbH
IRISL Benelux NV
IRISL (UK) Ltd.
IRISL China Shipping Co., Ltd.
Asia Marine Network PTE. Ltd.
CISCO Shipping Co. Ltd.
IRISL (Malta) Limited
Hafiz Darya Shipping (HDS) Lines
Safiran Payan Darya Shipping
Seibow Ltd.
Seibow Logistics Ltd.
Soroush Sarzamin Asatir Ship Management Co.

In addition to these designations, the United States has listed the names and International Maritime Organization (IMO) numbers of more than 90 IRISL-related vessels as a "blocked vessel".

In accordance with domestic law and international legal frameworks, the United States cooperates closely with partner States to scrutinize the activities of the Islamic Republic of Iran Shipping Lines and other Iranian shipping-related companies that pass through airports, seaports, and other international borders, and takes steps to prevent transfers of items prohibited by this and by previous Iran-related resolutions, the United States cooperates closely with partner States to scrutinize the activities of IRISL as well as Iranian cargo shipping companies.

Paragraph 20

In accordance with domestic law and international legal frameworks, the United States cooperates closely with partner States to scrutinize the activities of Islamic Republic of Iran Shipping Lines, Iran Air, and Iran Air's cargo component, as well as Iranian cargo shipping companies, and takes steps to prevent transfers of items prohibited by this and by previous Iran-related resolutions. The United States notes the actions that Iran has taken to circumvent the sanctions placed on it by Security Council resolutions, including the renaming and re-registering of vessels and aircraft. As information becomes available on such practices, we will report it to this Committee and to relevant countries so that they may take appropriate action.

Paragraph 21

Subject to limited exceptions, the Iranian Transactions Regulations, administered by the Office of Foreign Assets Control, prohibit direct and indirect exports (including exports of financial services) by United States persons and from the United States to Iran. New investments by United States persons — including commitments of funds or other assets, and loans or any other extensions of credit — in Iran or in property (including entities) owned or controlled by the Government of Iran are prohibited.

In November 2008, the United States further cut off Iranian financial institutions from the United States financial system by revoking the "U-turn" general license for Iran; thereby precluding transfers designed to dollarize transactions through the United States financial system for the direct or indirect benefit of Iranian banks, other persons in Iran, or the Government of Iran. Prior to

this action, United States financial institutions were authorized to process certain fund transfers for the direct or indirect benefit of Iranian banks, other persons in Iran, or the Government of Iran, provided the payments were initiated offshore by a non-Iranian, non-United States financial institution and only passed through the United States financial system en route to another offshore, non-Iranian, or non-United States financial institution.

On 1 July 2010, the United States enacted the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010. This bill expands the existing Iran Sanctions Act of 1996 by requiring the President to impose or waive sanctions on companies that supply Iran with refined petroleum products, help Iran develop its own refining capacity (through goods, services, and technology), or provide other associated services such as shipping, financing, and insurance. The legislation also prohibits or imposes strict conditions upon United States correspondent accounts of foreign financial institutions that know, or should know, that they are facilitating any of the following: significant transactions for banks designated by the United States in connection with Iran's weapons of mass destruction or terrorism activities; significant transactions for Iran's Islamic Revolutionary Guard Corps or its affiliates; Iran's activities regarding weapons of mass destruction or support for terrorism; or the activities of any individual or entity designated for sanctions under the Security Council resolutions regarding Iran. The legislation also prohibits subsidiaries of United States financial institutions from engaging in any transactions that the subsidiary knows, or should know, will benefit Iran's Islamic Revolutionary Guard Corps or its affiliates.

The United States has provided no such financing to Iran for three decades; such financing has been prohibited by United States law. We are continuing efforts to reach agreement with other Governments on a common position with respect to reducing official financing to the Government of Iran in both bilateral and multilateral channels.

Paragraph 22

Under the authorities of Executive Order 13382 and the International Emergency Economic Powers Act, the United States designated IRISL and 17 other entities controlled by or acting or purporting to act on behalf of IRISL on 10 September 2008. Under the same authorities, the United States designated the Islamic Revolutionary Guard Corps on 25 October 2007. Individuals and entities that are designated under Executive Order 13382 are denied access to the United States financial and commercial systems, and United States persons, including United States citizens, permanent resident aliens, United States companies (wherever located), and any person or company in the United States, are prohibited from engaging in transactions with them. This national authority also allows the United States to implement effectively the provisions set forth in operative paragraph 22 of the resolution.

With respect to this provision, the United States also takes note of the 6th preambular paragraph and the Islamic Revolutionary Guard Corps' role in the development of Iran's sensitive nuclear activities and the development of nuclear weapon delivery systems. The United States will continue to monitor the Islamic Revolutionary Guard Corps, as well as other entities related to Iran's nuclear and missile programmes, and will make designations as warranted under the authorities noted above.

Paragraph 23

Subject to limited exceptions, the Iranian Transactions Regulations, administered by the Office of Foreign Assets Control, prohibit direct and indirect exports (including exports of financial services) by United States persons and from the United States to Iran, as well as direct and indirect imports of Iranian-origin services (including imports of Iranian-origin financial services) into the United States and by United States persons. New investments by United States persons — including commitments of funds or other assets, and loans or any other extensions of credit — in Iran or in property (including entities) owned or controlled by the Government of Iran are prohibited.

With respect to this provision, the United States takes note of the 16th preambular paragraph, which notes the need to exercise vigilance over transactions involving Iranian banks, including the Central Bank of Iran, so as to prevent such transactions from contributing to proliferation-sensitive nuclear activities or to the development of nuclear weapon delivery systems.

Reflecting the statements issued by the Financial Action Task Force in October 2007 and February 2008 regarding deficiencies in Iran's anti-money laundering and combating the financing of terrorism regime, and the new provisions in resolution 1929 (2010), the United States Department of the Treasury's Financial Crimes Enforcement Network issued an advisory to United States banks on 22 June 2010. The advisory explains the provisions in the resolution relevant to United States banks. While noting that the United States banking sector has very limited direct exposure to the Iranian banking system because of existing laws and regulations, the Financial Crimes Enforcement Network continues to advise all United States financial institutions to take commensurate risk-mitigation measures to diminish threats emanating from Iran. The advisory also updates the list of banks that are subject to enhanced scrutiny because of United States or international designations.

Paragraph 24

Subject to limited exceptions, the Iranian Transactions Regulations, administered by the Office of Foreign Assets Control, prohibit direct and indirect exports (including exports of financial services) by United States persons and from the United States to Iran. New investments by United States persons — including commitments of funds or other assets, and loans or any other extensions of credit — in Iran or in property (including entities) owned or controlled by the Government of Iran are prohibited.

In November 2008, the United States further cut off Iranian financial institutions from the United States financial system by revoking the "U-turn" general licence for Iran, thereby precluding transfers designed to dollarize transactions through the United States financial system for the direct or indirect benefit of Iranian banks, other persons in Iran or the Government of Iran. Prior to this action, United States financial institutions were authorized to process certain fund transfers for the direct or indirect benefit of Iranian banks, other persons in Iran or the Government of Iran, provided the payments were initiated offshore by a non-Iranian, non-United States financial institution and only passed through the United States financial system en route to another offshore, non-Iranian, non-United States financial institution.